## Message Text

CONFIDENTIAL

PAGE 01 ABIDJA 00684 231643Z

43

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CONFIDENTIAL ABIDJAN 0684

E.O. 11652: GDS

TAGS: PFOR, EAID, ECON, EIND, IV

SUBJECT: COCOA AGREEMENT: SECOND DISCUSSION WITH

MINAG SAWADOGO

REFERENCE (A) LONDON 00816, (B) ABIDJAN 206, (C) 75 STATE 300220

- 1. ON JANUARY 19, I MET WITH AGRICULTURE MINISTER ABDOULAYE SAWADOGO AT HIS REQUEST FURTHER TO DISCUSS PROSPECTS FOR MODFICIATION OF THE INTERNATIONAL COCOA AGREEMENT. SINCE MY LAST MEETING WITH HIM (REFTEL B) HE HAD SEEN KWESI URIAH HACKMAN, EXECUTIVE DIRECTOR OF ICCO, AND THE PRESIDENT OF THE AFRICAN COCOA PRODUCERS' ALLIANCE.
- 2. HACKMAN TOLD SAWADOGO HE FEARED US WAS JUST STALLING, THAT PRESENT AGREEMENT COULD ONLY BE EXTENDED MAXIMUM OF ONE MORE YEAR AND THAT THIS WOULD PUT PRESSURE OF SHORT DEADLINE ON NEGOTIATORS FOR AN ENTIRELY NEW AGREEMENT. CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ABIDJA 00684 231643Z

HACKMAN SUGGESTED ONE ALTERNATIVE TO RENEGOTIATION

OF THE AGREEMENT WOULD BE TO ACCEPT THE NEW AGREEMENT, WHILE LIMITING ITS DURATION TO TWO YEARS.

- 3. SAWADOGO EXPRESSED CONCERN THAT THE NEW AGREEMENT WOULD BEGIN TO HURT IVORY COAST AFTER A YEAR OR TWO BECAUSE OF THE LIMITATIONS THAT IT PUTS ON COCOA PRODUCTION EXPANSION. HE REITERATED, HOWEVER, THAT US NEEDS TO CONVINCE PRODUCERS THAT WE ARE NOT STALLING BUT RELLY WANT A WORKEABLE AGREEMENT.
- 4. I COMMENTED THAT THE PROBLEM WITH THE HACKMAN APPROACH IS ONCE AN AGREEMENT IS ACCEPTED BY THE NEGOTIATING PARTIES IT BECOMES MORE DIFFICULT TO ALTER IT. SAWADOGO AGREED AND STRESSED HE IS NOT SATISIFIED WITH THE NEW AGREEMENT.
- 5. ON THE BASIS OF ALKS WITH THE PRESIDENT OF THE AFRICAN COCOA PRODUCERS ALLIANCE, SAWADOGO ASSURED ME THAT THE PRESIDENTS OF THE ALLIANCE COUNTRIES WILL BE MEETING SOON AT A DATE NOT YET ESTABLISHED. THAT MEETING WILL STILL OFFER THE POSSIBILITY OF REOPENING HE WHOLE QUESTION OF COCOA AGREEMENTS.
- 6. IN DISCUSSING THE RECENT VISIT OF MESSRS. BAKER AND BATEMAN TF MARS COMPANY, SAWADOGO SAID HE WAS PLEASED TT HEAR FROM THESE INDUSTRY REPRESENTATIVES THAT THEY WOULD FAVOR THE USENTERING INTO A COCOA AGREEMENT UNDER CERTAIN CONDITIONS. THE MINISTER FURTHER STATED THAT SINCE MOST PRODUCING COUNTRIES FEEL THE US DOES NOT WANT A COCOA AGREEMENT, IVORY COAST, TOGETHER WITH US, MUST CONVINCE THESE COUNTRIES THAT THEUS DOES, IN FACT, LOOK FAVORABLY ON AN AGREEMENT IF WORKABLE AND ENEFICIAL TO THE CONSUMERS AS WELL AS TO THE PRODUCERS.
- 7. COMMENT. LAST WEEK EMBOFF MET WITH M. IBRAHIM TOURE, DIRECTOR GENERAL OF SACO, LARGEST IVORIAN PROCESSOR OF COCOA BEANS. TOURE, A MAJOR COCOA PLANTER AND FORMER OFFICIAL IN AGRICULTURE MINISTRY, BELIEVED STILL TO BE INFLUENTIAL IN GOVERNMENT CIRCLES, TOLD EMBOFF THAT HACKMAN WAS WARMLY WELCOMED BY IVORY COAST, AS IS NATURE OF IVORIAN PEOPLE, BUT THAT HIS DISCUSSIONS DID NOT DISSAUADE PRESIDENT HOUPHOUET-BOIGNY FROM REFUSING TO SIGN NEW COCOA AGREEMENT. TOURE SAID IVORIAN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ABIDJA 00684 231643Z

PRESIDENT IS PROUD OF HAVING SUPPORTED PREVIOUS COCOA AGREEMENT EVEN AFTER OTHER SIGNATORIES CEASED TO ABIDE BY IT. HOUPHOUET IS IRRITATED BY OTHER COCOA-PRODUCING COUNTRIES WHICH TALK BIG IN INTERNATIONAL MEETINGS BUT WHICH SELL UNDER THE TABLE TO THEIR OWN ADVANTAGE AFTER THE MEETING ARE OVER. EMBOFF BELIEVES THIS REMARK TO HAVE BEEN DIRECTED PARTICULARLY TOWARD GHANA. END COMMENT.

8. FURTHER COMMENT. WHILE IT APPEARS THAT SAWADOGO IS STILL SYMPATHETIC TO THE IDEA OF A WHOLLY NEW AGREEMENT, HE NEEDS TO BE BOLSTERED BY NEW ASSURANCES THAT WE WILL PLAN AN ACTIVE ROLE, PARTICULARLY WITH OTHER CONSUMERS, AND THAT WE ARE NOT SIMPLY STALLING. END COMMENT. SMITH

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